

TEACHERS' RETIREMENT BOARD

HEALTH BENEFITS COMMITTEE

SUBJECT: Health Benefits Study-Project Status Update

ITEM NUMBER: 5

ATTACHMENT(S): 0

ACTION:

MEETING DATE: May 4, 1999

INFORMATION: X

PRESENTER: Ms. DuCray-Morrill

PROJECT STATUS UPDATE

Significant progress has been made regarding the health benefits study as follows:

Surveys for Active and Retired/Disabled Teachers were mailed on April 19, 1999. The Plan Sponsor surveys (School Districts, Community College Districts, and Offices of Education) were mailed on April 21, 1999. We did request the surveys to be returned to William M. Mercer by May 5, 1999 (Active and Retired/Disabled Teachers) and May 21, 1999 (Plan Sponsors). Reminders (in the form of postcards) will be sent.

We are having problems identifying the school districts participating in Joint Powers Agreements (JPAs). Some Employers provide health care benefits to their employees through JPAs and Health Benefit trusts (Trusts). JPAs consist of a consortium of individual school districts and are managed by representatives of school district administrators. Trusts are entities jointly managed by representatives of employers and employees. Our plan is to send surveys to both JPAs and Trusts. We do not believe we will receive a large number of responses from the JPAs and Trusts because they are our competition. We have identified the 13 Trusts and will be mailing surveys to them during the week of April 26th.

During the week of April 19th, staff completed the telephone interviews of various states that responded to our original screening questionnaire concerning their state's health care benefits program for school district employees. A screening questionnaire was mailed to all 50 states. As of this date, forty-two (42) states responded. Based on the information provided, we further requested nine states to participate in an indepth telephone interview because their states' information was analogous in meeting the objectives of our feasibility study. The states selected were Arizona, Colorado, Louisiana, New Jersey, Oklahoma, Tennessee, Virginia, Washington and Wisconsin. There were four telephone interviews conducted and five states mailed in their completed interview guides. All were extremely helpful and offered themselves as future resources to CalSTRS. We are in the process of preparing a summary of the information obtained. However, most of the states interviewed to date did recommend the following:

Health Benefits Committee - Item 5

Page 2

May 4, 1999

- Not to rush in developing such a program. Make sure we have the time needed to adequately develop a comprehensive statewide health benefits program. Do not let legislation impose a certain time frame to provide health care benefits to the membership.
- Bring on the entire membership at one time.
- Have an adequate data base system in place (both hardware and software).

We have contacted Patricia Powers, Executive Director, Pacific Business Group on Health (PBGH), to make a presentation relating to health care at our next meeting on June 1, 1999. She graciously accepted our invitation.